

November 23, 2004

Mr. George N. Dorn, Jr.  
South Carolina Public Service Commission  
Interim Executive Director  
ATTN: Docketing Department  
P.O. Drawer 11649  
Columbia, SC 29211

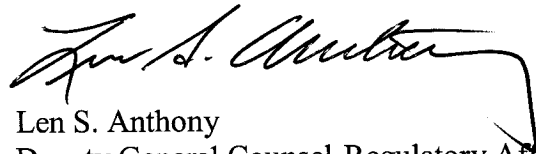
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SOUTH CAROLINA  
PUBLIC SERVICE COMMISSION

RE: Progress Energy Carolinas, Inc.'s Annual Review of Fuel Costs -  
Motion to Continue Fuel Factor and Alter Hearing Schedule

Dear Mr. Dorn:

Enclosed for filing are the original and twelve (12) copies of Progress Energy Carolinas, Inc.'s ("PEC") Motion to Continue Fuel Factor and Alter Hearing Schedule. Please stamp two of the enclosed copies and return them to me in the self-addressed, stamped envelope.

Sincerely,

  
Len S. Anthony  
Deputy General Counsel-Regulatory Affairs

LSA:mhm

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BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2005-1-E

IN RE:	)	<b>MOTION TO CONTINUE FUEL</b>
Progress Energy Carolinas, Inc.'s	)	<b>FACTOR AND ALTER HEARING</b>
Annual Review of Fuel Costs	)	<b>SCHEDULE</b>

Pursuant to Rule R. 103-840 and other applicable Rules of the Public Service Commission of South Carolina's ("PSC or Commission") Rules of Practice and Procedure, and other applicable Regulations and Statutes, the Movant, Progress Energy Carolinas, Inc. ("PEC"), by and through its undersigned attorneys, moves the Commission to continue PEC's current fuel factor through June 30, 2005 and to alter the present hearing schedule for the annual review of the South Carolina electric utilities' fuel costs pursuant to S.C. Code Ann. (1976) Section 58-27-865 (hereinafter "Fuel Statute"). Under the Fuel Statute, this Commission conducts annual hearings and sets an appropriate fuel factor to allow the electric utilities to recover their just, reasonable and prudent fuel costs for the applicable period.

1. PEC is an electric utility incorporated in North Carolina and authorized to do business in South Carolina. PEC provides electric service to the northeastern portion of South Carolina. Its business address is:

Progress Energy Corporation  
410 South Wilmington Street  
Raleigh, North Carolina 27601

2. The attorneys for PEC are:

Len S. Anthony  
Deputy General Counsel  
P.O. Box 1551  
Raleigh, NC 27602

Kendal C. Bowman  
Associate General Counsel  
P.O. Box 1551  
Raleigh, NC 27602

3. Historically, the Commission has conducted PEC's annual fuel cost recovery proceeding in March of each year. Most recently, by Order No. 2004-172, issued in Docket No. 2004-1-E, the Commission established a fuel factor of 1.471 cents per kwh for PEC for the period April 2004 through March 2005. This was the same level as approved in PEC's 2003 fuel proceeding.

4. Currently, the Commission conducts the fuel cost recovery proceedings for all three South Carolina electric utilities in close proximity to each other in the spring of each year. The present schedule requires the Commission to make a decision on each utility's fuel factor shortly before the end of the calendar month. This has required the Commission's staff to work expeditiously to put the electric utilities' fuel factor into effect on the first day of the following calendar month. This schedule has caused a hardship on the Commissioners, Commission staff, and the utilities. In recognition of this, the Commission's Staff held consultations in the spring of 2004, with representatives of South Carolina Electric and Gas Company, Progress Energy Carolinas, Inc. and Duke Power.

5. As a result of these consultations, the Commission's Staff and the three electric utilities agreed on a schedule that would "stagger" the dates of the utilities' annual fuel cost recovery hearings. By agreement of the participants, PEC will have its annual fuel hearing scheduled before this Commission on or about the last Wednesday in May 2005, with an effective date for the annual fuel factor of July 1, 2005.

6. PEC therefore moves the Commission as follows.

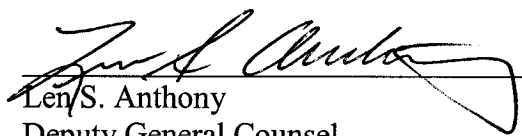
- A. To establish a test period for PEC's 2005 fuel case of January 1, 2004 through March 31, 2005; thereafter, the test year shall be April 1 through March 31;
- B. To continue PEC's current fuel factor of 1.471 cents per kwh through June 30, 2005;
- C. To set PEC's 2005 fuel case to be heard on or about the last Wednesday of May 2005, with an effective date for the annual fuel factor of July 1, 2005;
- D. To issue, in accordance with the Commission's traditional pre-filing schedule, an order requiring PEC's testimony and exhibits to be due four weeks prior to the hearing date, Intervenor testimony to be due two weeks prior to the hearing date, and PEC rebuttal testimony one week prior to the hearing date;
- E. To provide such other and further relief as this Commission may deem just and proper.

### CONCLUSION

Based on the foregoing, PEC moves this Commission to continue PEC's current fuel factor of 1.471 cents per kwh through June 30, 2005 and alter the present Commission schedule for hearings to review PEC's base rates for fuel costs by scheduling PEC's next fuel hearing to be held in the month of May, 2005.

Respectfully submitted this 23rd day of November, 2004.

PROGRESS ENERGY CAROLINAS, INC.

  
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Len S. Anthony  
Deputy General Counsel  
P.O. Box 1551  
Raleigh, NC 27602